

Approved Minutes
CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION MEETING
December 8, 2005
2:00 P.M.

Jesse M. Unruh State Office Building
915 Capitol Mall, Room 587
Sacramento, CA 95814

1) CALL TO ORDER AND ROLL CALL

Deputy Treasurer Ed Emerson for Treasurer Phil Angelides called the meeting to order at approximately 2:05 p.m. Members present included: Molly E. Arnold for Governor Arnold Schwarzenegger, Windie Scott for State Controller Steve Westly, Donna Linton, Assembly Member Judy Chu, Senator Dave Cox, and José Cisneros. A quorum was present.

2) APPROVAL OF THE MINUTES (from May 12, 2005 meeting)

Senator Cox moved that the minutes of the May 12, 2005 meeting be approved. The motion was seconded by Mr. Cisneros and passed (7-0)

3) EXECUTIVE DIRECTOR'S REPORT

Ms. Jane Thompson presented a summary of CDIAC's seminar activities since the May 12, 2005 Commission meeting. The Executive Director outlined information on ongoing educational seminar programs including CDIAC's 2006 educational schedule. This schedule includes three debt-issuance related seminars, two public investment-related seminars, and the Tools to Revitalize California Communities seminar. Ms. Thompson also provided a list of planned seminars, reports, and projects for the remainder of 2005.

Ms. Thompson presented information regarding the completion of several CDIAC publications such as: *2004 Calendar of Debt Issuance*, *2004 Summary of Debt Issuance*, *2004 Annual Report*, *2005 Tools to Revitalize California Communities*, and the *Debt Issuance Primer Handbook*.

Assembly member Judy Chu requested information regarding attendance at the *Tools to Revitalize California Communities (Tools)* conferences and how CDIAC monitors these conferences for customer satisfaction. Ms. Louie presented a historical summary of the *Tools* conferences, as well as methods of collecting data to monitor conference outcome. Ms. Thompson also outlined CDIAC's online seminar survey-data collection system to monitor for customer satisfaction.

4) ACTION ITEMS

Item 4.a. Approval of Resolution 05-02 CDIAC Debt Issuance Fees Applied to Multiple Sale Transactions

Ms. Thompson presented Resolution 05-02 to the Commission for approval of CDIAC's debt issuance fees applied to multiple sales transactions. Ms. Thompson gave a summary of CDIAC's request for clarification. She said that a bond transaction is defined by a bond purchase agreement and, where there are multiple bond purchase agreements, CDIAC will consider each of these transactions as separate and therefore applied separate CDIAC fees. Ms. Thompson also outlined the fee breakdown for short-term and long-term bond issuance transactions.

Commission members asked Ms. Thompson about the maximum allowable fee and the Reporting Fee Schedule. Ms. Thompson clarified the fee approval process. Senator Cox moved to approve the resolution. Assembly member Judy Chu seconded the motion. The resolution was approved unanimously (7-0).

5) INFORMATIONAL ITEMS

Item 5.a. Summary of Recent Contracting Activities

Ms. Thompson updated the Commission on Resolution 04-01, which delegated the Executive Director or the Acting Executive Director authority to enter into contracts and interagency agreements on behalf of the Commission not to exceed \$300,000 per contract or \$500,000 in total for all contracts for the fiscal year.

The Commission was updated on two separate interagency agreements between CDIAC and STO to cover administrative services for \$317,192 and facility operations for \$91,781. Although STO administrative staff indicated that the interagency agreement would increase, the individual amounts of the agreements would not exceed the limits provided by CDIAC Resolution 04-01.

The Commission also was informed of external contracts that included the Office of State Publishing for \$8,800 and the Concord Hilton for \$14,679 to secure conference facilities.

Item 5.b. Seminar Activities for 2006

Ms. Louie briefed the Commission on CDIAC's seminars and workshop activities that have taken place since May 12, 2005 Commission meeting.

Ms. Louie also outlined the seminar and workshop schedule for 2006. They include 14 planned conferences/presentations for 2006: nine debt-related, four investment-related, and a *Tools*-related conference.

Item 5.c. Summary of Technical Advisory Committee Meetings

Ms. Kristin Szakaly-Moore, Director of Policy Research provided a brief summary of the CDIAC Debt and Investment TAC meetings.

DEBT TAC MEETING SUMMARY

The Debt TAC meeting was held November 9, 2005 to discuss CDIAC's updated California Debt Issuance Primer, which is to be published in early 2006, and future seminars and workshops. There was also a discussion about CDIAC debt issuance fees applied to multiple sale transactions and upcoming research projects.

INVESTMENT TAC MEETING SUMMARY

The Investment TAC meeting was held November 30, 2005 to discuss current and future CDIAC publications and seminars, as well as issues facing public fund investors. CDIAC staff also discussed upcoming research projects, including forming a subcommittee regarding updating CDIAC's *Local Agency Investment Guidelines* document.

Item 5.d. Reports/Publications Work Plan for 2006

Ms. Szakaly-Moore briefed the Commission on CDIAC's Reports and Publication Work Plan for 2006. Upcoming research projects include an informational brochure on investment policy reporting practices, an updated debt issuance primer, an issue brief on tools for measuring portfolio yield, and a historical and trend analysis of State and Local general obligation debt issued over the past 25 years. CDIAC will also be forming a subcommittee to review and update the consensus recommendations in its *Local Agency Investment Guidelines*.

Item 5.e. Revision of Debt Issuance Data Forms for Collection of Information

Ms. Thompson reported on CDIAC's revision of debt issuance reporting forms. The form revision is to assess CDIAC's ability to collect information on new types of debt financing and issuer response to existing forms of data collection. As a result, CDIAC is attempting to improve data collection by moving towards electronic submission of information.

Ms. Thompson summarized, for Senator Cox, the importance of making forms accessible electronically. There was a discussion regarding increased efficiency and the level of form completion through electronic submission. Mr. Mark Campbell also responded to questions regarding the efficiency of electronic filing and the level of compliance. Mr. Campbell told Commission members that CDIAC hopes to have even a higher response rate than it currently has when it moves to electronic filing.

Ms. Linton questioned CDIAC staff regarding the status of the demographic information that she requested be included in CDIAC's forms, and when the information will be available for input via the internet. Mr. Campbell updated Ms. Linton that CDIAC is working first on getting its current forms into an electronic format. The State Treasurer's Office Information Services Unit (IS) currently is working on assessing the forms and putting them into an electronic format.

CDIAC hopes to electronically launch new forms via the Internet by the end of the first quarter of 2006. Modifications to the forms could begin after the initial launch; however, it would depend upon IS availability and prioritization of its workload.

5) PUBLIC COMMENT

There was no public comment.

6) ADJOURNMENT

There being no further business, a motion to adjourn was made by Senator Cox and seconded by Assembly Member Chu. The meeting was adjourned by acclamation at 2:55 p.m.